



**CITY OF HART  
407 S. STATE ST.  
HART, MI 49420  
COUNCIL PROCEEDINGS  
January 10<sup>th</sup>, 2023  
MINUTES – Approved**

**PRESENT:** Councilors: Justin Adams, Catalina Burillo, Jim Evans, Dean Hodges, Amanda Klotz, and Kris Trygstad

**ABSENT:** Mayor Vicki Platt,

**OTHERS PRESENT:** City Manager – Rob Splane, City Clerk – Karla Swihart, BioPure Superintendent – Paul Cutter, DPW Superintendent – Brad Whitney, Energy Superintendent – Mike Schiller, Hart PD Chief – Juan Salazar, Hart PD Officer Ray Ryder, Sharon Hallack and George Sadler

Mayor Pro-Tem Klotz called the meeting to order; following the roll call, then led the Council in the pledge of allegiance.

**APPROVAL OF AGENDA:**

- D. Hodges motioned to approve the agenda and was supported by J. Adams
  - Ayes: 6 Nays: 0 Absent: 1

**PUBLIC COMMENTS:**

- George Sadler, 4 years now there is a hydrant across the street from us by the public bathhouse that used to have a drinking fountain on there, which helped a lot, so people didn't come in and ask us for cups of water, going on 4 years now and there is just an ugly pipe sticking out which is a hazard and I don't understand why its not fixed by now. I have mentioned to Rob numerous times, and I have mentioned to Brad numerous times, and it just seems to fall on deaf ears

**CORRESPONDENCE, EVENTS, PRESENTATIONS:**

- Michigan Public Power Agency – 2022 Business Model Risk Assessment

**Retail Rate Competitiveness:**

**Background & Importance:**

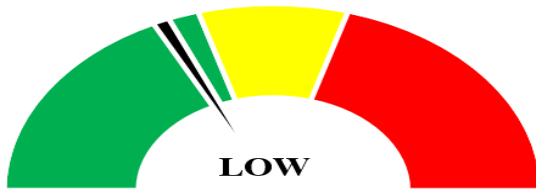
- A weighted average comparison of your utility's all-in retail rates to your neighboring utility's all-in retail rates on a cents per kWh basis.
- Rates are important in influencing your utility's ability to attract and retain customers. Their relative affordability (to the neighboring utility) can influence the willingness to raise rates and revenue flexibility, which are key credit considerations.
- Understanding your utility's rates, whether below or above the neighboring utility, provides key and actionable information that should be considered when making operational and financial decisions.

**The Results:**

Rate	Hart Rate*	Comparable Consumers Energy Rate*	% Difference
RE	11.5	18.4	-37.5%
CO	12.9	17.6	-26.9%
Demand	10.0	10.6	-4.8%

\*Cents / kWh for Average Customers utilizing CY 2021 data

**Risk Profile – Competitive Retail Rates:**



Note: Overall risk calculated utilizing S&P Global Ratings’ methodology scale for Retail Electric Market Position

**Potential Next Steps:**

- Develop a 5+ year Rate Strategy (if your utility does not yet have one)
- For Customer classes where your utility has lower / competitive rates:
  - ♦ Educate and communicate this value proposition to your customers
  - ♦ Consider whether a small rate increase makes sense for the purpose(s) of investing in your utility’s distribution system, staff facilities, IT infrastructure / systems or enhancing your creditworthiness.

**Customer Concentration:**

**Background & Importance:**

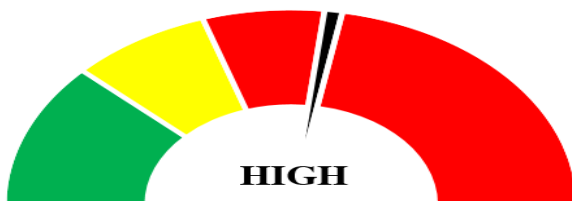
- The percentage share that key customer group make up of your utility’s total retail load (in MWhs)
- Retail sales volatility can occur if a significant portion of your utility’s sales are tied to a small set of customers (or perhaps just one customer). If one or more of these customers were to leave, the loss of sales would negatively affect cash flow. This is also true during recessionary periods – but to a lesser extent.
- Understanding how the following three key customers groups contribute to your utility’s total retail sales provides key and actionable information that should be considered when making operational, power supply and long-term investment decisions.

**The Results:**

Customer Group	% of Load *
Residential Class	18.5%
To 10 Customers	62.8%
Top Customers	16.9%

\*% of Retail Sales (MWhs) utilizing CY 2021 data

**Risk Profile – Customer Concentration:**



Note: Overall risk calculated utilizing S&P Global Ratings’ methodology scale for Diversity of Sales and Demographics.

**Potential Next Steps:**

- Implement a Key Customer Accounts Program with sufficient resources and focus to maintain a relationship of mutual information sharing and benefits with each key customer.

- Develop a Rate Strategy to ensure your utility’s fixed and variable expenses are being recovered appropriately in your rate structure.

**Distributed Energy Resource (“DER”) Readiness:**

**Background & Importance:**

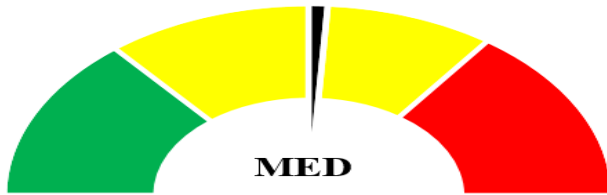
- Due to significant advancements in energy resource technology (such as solar), changing customer perspectives & objectives and Federal Energy Regulatory Commission (“FERC”) reforms, the edge of the distribution grid (i.e. at the retail customer level) is becoming the most important part of the energy ecosystem.
- The grid edge is now where clean energy investments (solar, storage, fuel cells) meet the utility system.
- It is critical that your utility has visibility and control at the grid edge to integrate new and dynamic distributed energy resources.

**The Results:**

Category Evaluated	Readiness*
Advanced Metering Infrastructure (“AMI”)	4 of 4
Electric Interconnection Policy	0 of 4
Retail Rates	1 of 4

\*Utility’s responses in Q1/Q2 of 2022 about whether or not key prerequisites for each Category are currently in place.

**Risk Profile – DER Readiness:**



Note: Overall risk calculated utilizing internal MPPA scale.

**Potential Next Stes:**

- Perform a value audit of how effectively and extensively you are using your AMI System to benefit your customers, rate structure and financial health and how adaptable it is for coming drid edge changes.
- Develop a detailed Electric Interconnection Policy in conjunction with an engineer or engineering firm.
- Include unbudling in your long-term Rate Strategy: structure the components of your rates ( transmission, distribution, capcapacity, energy) so they reflect cost causation and move your utility to financial indifference toward DER.

- Paul Cutter – Hart BioPure Presentation of deaprtment report and discussion

Hello, hope all are well.

Just have to say this is a great year to have behind us here at the Biopure facility. It has been a struggle for the past few years to operate the facility with any consistency. I think in 2022 we exhausted all possible efforts to keep the facility in compliance.

Although we meet our state permit limits, we were forced to let solids into ponds that should not have solids in them. The reason for this was influenced by a few things that were out of our control.

In 2022 we broke our incoming flow record it was previously 318 M.G.

in 2021, in 2022 it increased to 391 M.G. That’s an increase of 73 M.G a year and roughly 200,000 gallons per day. Along with the increased flows we had a full biosolids basin and were waiting for the hauler to show up. We could not waste any of our solids in the aeration basin to the biosolids basin. The only alternative was to waste to the polishing pond. (Polishing ponds should not have any solids in them.)

A good way to picture the way the plant must work. If the flow coming into the plant is 500 gallons per minute, we must be treating 500 gallons per minute. That use to be very easy to obtain but since the increased loading and

flows over the years it has slowly begun to be more difficult. (Reason for the new clarifier you voted to be built. Thank You)

Engineers have determined that this facility can operate above its projected capacity. I would say over the last 2 years we have been running over its projected capacity 75% of the time.

Although we have projects in place to help the type of year, we had in 2022 none of the work being performed currently or this summer will help a year possible like last year.

Last year's operations left a large amount of biosolids in our polishing pond. I would say roughly 4 million gallons. Although we have a biosolids budget for each year, due to the time frame our biosolids contractor was here this year we spent the 2021-2022 budgeted funds and the 2022/2023 budgeted funds leaving no funds for biosolids removal in 2023. Not only do we have the 4 million gallons in the polishing pond we also have to remove the biosolids in the biosolids lagoon each year. That dilemma will be coming across your table during the year.

I plan to ask Rob if I can briefly go through the below information with you during my Superintendent report Tuesday night. Feel free to have lots of questions for me if you would like more detailed information.

A – Is showing the route the Griswold Foremain takes to get to the Biopure Facility. The distance is roughly .81 miles of 16" HDPE (High Density polyethylene) fusable pipe.

The forcemain being replaced is the original which was installed in 1963. The original pipe size is 14."

Hallacks are currently installing the pipe. I expect to have the pipe online by the end of February 2023.

**This will give the city reliability and assurance that the wastewater has a way to get out to the facility. Big peace of mind for me.**

B – Is a head works building. This building will house a way to remove sand and rags from the influent flow.

Unfortunately, this was excluded in the original expansion.

**This addition will remove the sand and rags that create problems in the aeration basin and the pumps and clarifiers.**

C- This area is currently the east end of the biosolids basin. Currently C&D are one lagoon. The new design will be for the east end (C) to be converted to an additional aeration basin.

**This will give the city the ability to increase the amount of flow and loading we can handle. Referenced in a difference attachment.**

D- This area will continue to be a biosolids basin but half the amount of existing. The line in the picture indicates the area an earthen berm will be constructed.

**This will give me the opportunity to have more control of the biosolids inventory.**

E- This pond is currently a polishing pond. The line in the picture indicates an earthen berm which will split the existing pond in half.

**This will give me the opportunity to have more control of the biosolids inventory.**

F- This area is currently a polishing pond liftstation. This pumps the water from the polishing pond up to Storage lagoons 5&4.

With the additional incoming flows, we have been receiving, this liftstation is undersized. You may remember the mess we had with the clarifiers overflowing. The undersized pumps were partial to blame for that event. These new pumps will be sized to accommodate or future flows.

G- This area is where the 3rd clarifier will be constructed.

Again, due to the higher flows and loadings I feel you made a great decision to add this to the project. Our engineers have expressed to me that we are getting 110 percent out of our current operations. I like that comment but it's been very challenging to have a properly operating facility with the changes we have faced in the last 2 years.

It's been roughly 3 years that operations have been what I would say normal.

I might add if we did not have what we call the polishing pond available to us we would have violated our permit limits for most of 2022. As I mentioned earlier in the report, we have 4 million gallons of biosolids in our polishing pond which I'm not at all proud of, but it was the only thing we could do to continue to operate.

I'm nervous for this upcoming year. these projects I have laid out will not start until September 2023 apart from Griswold forcemain.

H- This area will be 2 pump stations one in each biosolids basin.

This area will give us the ability to dewater the biosolid basin prior to haul. This will also give me the ability to use the natural nutrients that are created by a properly running aeration basin and could be a substantial saving in our chemical purchases. It's possible we could see a savings of \$15,000 to \$20,000 dollars a year.

I -This pond will remain a polishing pond we will just be reducing the size by half its current capacity.

As most of the conversation with loading and flows is Industry related. If you look at this data, it is pretty apparent why we are concerned about the future of the industries.

Additional information on this spreadsheet is how the new blowers have saved the city money since being installed in late 2020.

If you just look at the end of the year dollars In column O, you can see a saving. But in all fairness, we need to look at column P, Column P shows the cost per lb. of loading, which is a true reflection of the savings.

Prior to the blowers it was costing us roughly .1cent per lb. of loading.

Since the new blower installation, we are at .05 and .06 cents per lb. of loading. Almost a 50% saving in electrical cost.

Lots of information I hope you get the time to review. Thank You.

Again, feel free to have questions with regards to this info. Paul

#### **CONSENT AGENDA:**

- Approval of minutes from December 12<sup>th</sup>, 2023.
- Bills, Claims, Payroll
- Reports of Boards, Commissions, and Committees
- Department Reports – Police/BioPure/Public Works/Energy/C&E Dvlp
  - J. Adams motioned to approve Consent Agenda and supported by K. Trygstad
    - Ayes: 6 Nays: 0 Absent: 0

#### **ACTION ITEMS:**

- Resolution 2023 – 01 Authorize Michigan Public Power Agency Member Authorized Representative to Sign Power Purchase Agreements  
 WHEREAS, on March 11, 2009, the Michigan Public Power Agency ("MPPA") Board of Commissioners, by action in open meeting, created the Energy Services Project ("Project"); and  
 WHEREAS, a Member joining the Project must execute an Energy Services Agreement ("ESA"); and  
 WHEREAS, Section 2 of the ESA requires the Member's Governing Body to designate a Member Authorized Representative ("MAR"); and  
 WHEREAS, the MAR is delegated the responsibility of binding the Member into Power Purchase Commitments ("PPC") with MPPA  
 WHEREAS, in order to secure the benefits of efficient self-government and to promote and protect our common interest and welfare, the City Council hereby declares:  
 NOW THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL:  
*The City of Hart MAR has been delegated with the authority to approve and execute PPC's with MPPA so long as the PPC's are within the term and quantity parameters of MPPA's Power Supply Risk Management Policy.*
  - C. Burillo motioned to approve Resolution 2023-01 and supported by J. Adams
    - Ayes: 6 Nays: 0 Absent: 1
  
- Resolution 2023 – 02 Authorize Hanson Street Construction Change Orders  
 WHEREAS, The City of Hart contact with Hallack Contracting 2022-2023 Street Program, and;  
 WHEREAS, During the course of the project there was additional work needed due to various conditions, and;

WHEREAS, Hallack Contracting has submitted two change orders for the project totaling \$23,354.66 bringing the total project cost to \$829,083.16, and;

WHEREAS, City staff has reviewed the request and recommends approval, and;

WHEREAS, in order to secure the benefits of efficient self-government and to promote and protect our common interests and welfare, the City Council hereby declares:

NOW THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL

*The City of Hart hereby approves the change order requests from Hallack Contracting for a total project cost of \$829,083.16 and authorizes the City Manger to sign related documents*

- C. Burillo Motioned to approve Resolution 2023-02 and supported by K. Trygstad
  - Ayes: 6 Nays: 0 Absent: 1

- Resolution 2023 – 03 Resolve to remove former Mayor Pro-Tem Rybarz from City of Hart bank accounts and add current Mayor Pro-Tem Klotz as authorized signer.

WHEREAS, The City of Hart maintains local bank accounts to conduct daily operations; and

WHEREAS, the accounts require an authorized signer to conduct business as necessary; and

WHEREAS, the Mayor, Mayor Pro-Tem, City Manager and City Clerk/Treasurer are generally accepted individuals as authorized signer; and

WHEREAS, the Shelby State Bank which the City holds its investment requires formal action designating any new account signers, and;

WHEREAS, in order to secure the benefits of efficient self-government and to promote and protect our common interests and welfare, the City Council hereby declares:

NOW THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL:

*Designates new City of Hart Pro-Tem Amanda Klotz as authorized signers on City bank accounts and authorizes the removal of former Mayor Pro-Tem Fred Rybarz from said accounts*

- C. Burillo Motioned to approve Resolution 2023-03 and supported by K. Trygstad
  - Ayes: 6 Nays: 0 Absent: 1

- Resolution 2023 – 04 Accept Amendment 3 proposal from Prein and Newhof to provide engineering services to add Clarifier to existing BioPure project

WHEREAS, The City of Hart operates a wastewater treatment system at Hart BioPure, and;

WHEREAS, The BioPure system supports the Functionality of all City wastewater sewer components and provides for safe sanitary conditions for City residents, businesses, and industry partners, and;

WHEREAS, on November 8<sup>th</sup>, 2022, Representatives presented project details to City Council inclusive of the proposal to add a new clarifier to the BioPure project providing much needed capacity improvements to the system, and;

WHEREAS, in order to secure the benefits of efficient self-government and to promote and protect our common interest and welfare, the City Council hereby declares:

NOW THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL:

*The City of Hart hereby approves the Amendment 3 proposal from Prein and Newhof in the amount of \$388,500 and authorizes the City Manager to sign related documents.*

- C. Burillo motioned to approve Resolution 2023-04 and supported by J. Adams
  - Ayes: 6 Nays: 0 Absent: 1

- Resolution 2023 – 05 Resolution for Charitable Gaming License

WHEREAS, The City of Hart may approve or disapprove of the issuance of a charitable gaming license, and;

WHEREAS, The Heart Economic and Redevelopment Team non-profit organization wishes to hold a fundraising raffle to benefit the 25 by 2025 art initiative, and;

WHEREAS, in order to secure the benefits of efficient self-government and to promote and protect our common interests and welfare, the City Council hereby declares:

NOW THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL

*Approves the request from Hart Economic and Redevelopment Team of the City of Hart, County of Oceana, asking that they be recognized as a non-profit organization operating in the community for the purpose of obtaining charitable gaming licenses be considered for approval.*

- o J. Adams motioned to approve Resolution 2023-05 and supported by J. Evans
  - Ayes: 6 Nays: 0 Absent: 1

- Ordinance 23-01 *SECOND READING* - Establish Chapter 1428 International Property Maintenance Code (IPMC)

**CITY OF HART**

**ORDINANCE NO. 23-01**

**ZONING ORDINANCE TO AMEND THE CODIFIED ORDINANCES OF THE CITY OF HART, MICHIGAN SPECIFICALLY TO ESTABLISH PART FOURTEEN – BUILDING AND HOUSING CODE TITLE TWO - BUILDING CODE – CHAPTER 1428 INTERNATIONAL PROPERTY MAINTENANCE CODE (IPMC)**

At a regular meeting of the Hart City Council held at City Hall on the 10<sup>th</sup> day of January 2023, at 7:30 p.m.

PRESENT: Justin Adams, Catalina Burillo, James Evans, Dean Hodges, Amanda Klotz and Kris Trygstad

ABSENT:

The following ordinance was offered by C. Burillo and supported by K. Trygstad

THE CITY OF HART, COUNTY OF OCEANA, STATE OF MICHIGAN ORDAINS:

**CITY OF HART CODE OF ORDINANCES, ESTABLISH PART 14, TITLE TWO, CHAPTER 1428 INTERNATIONAL PROPERTY MAINTENANCE CODE (IPMC), AND ADOPT IPMC 2021 TO ESTABLISH MINIMUM REQUIREMENTS FOR THE MAINTENANCE AND IMPROVEMENT OF PROPERTIES WITHIN CITY OF HART JURISTITION**

**SECTION 1.** AMENDMENT THE CITY OF HART ORDIANS: Part 14 Title 2 Chapter 1428.

Adoption of code by reference.

Pursuant to the provisions of Public Act No. 179 of 1909 (MCL 117.1 et seq. MSA 5. 2071 et seq.) the 2021 edition of the International Property Maintenance Code, as published by the International Code Council. Be and is hereby adopted as the Property Maintenance Code of the City of Hart, in the State of Michigan for regulating and governing the conditions and maintenance of all property, buildings and structures; by providing the standards for supplied utilities and facilities and other physical things and conditions essential to ensure that structures are safe, sanitary and fit for occupation and use, and the demolition of such existing structures as herein provided; providing for the issuance of permits and collection of fees therefore; and each and all of the regulations, provisions, penalties, conditions and terms of said Property Maintenance Code on file in the office of the City of Hart are hereby referred to, adopted, and made a part hereof, as if fully set out in this ordinance, with the additions, insertions, deletions and changes, if any, prescribed in Chapter 1428. Chapter 1428.01 Code on file. Complete printed copies of which are on file and available for public use and inspection in the office of the Development Services Department of the City of Hart, being marked and designated as the International Property Maintenance Code, 2021 edition, as published by the International Code Council.

Chapter 1425.02 References in code. Reference in the code adopted in this article to "State" and "Michigan" shall mean the State of Michigan; reference to "municipality" and "Hart" shall mean the City of Hart; references to "local ordinances" shall mean the City of Hart ordinances. All references to the International Building Code, International Residential Code, International Energy Conservation Code, National Electric Code, International Existing Building Code, International Mechanical Code, and International Plumbing Code, mean the Michigan Building Code, Michigan Residential Code, Michigan Uniform Energy Code, Michigan Electrical Code, Michigan Rehabilitation Code for Existing Buildings, Michigan Mechanical Code, and Michigan Plumbing Code respectively.

Chapter 1428.03 Delete and replace with the following: Changes in the code. The following sections of the 2021 International Property Maintenance Code (IPMC) are amended or deleted as set forth and additional sections and subsections are added as indicated. Subsequent section numbers used in this section shall refer to the like numbers used in this section shall refer to like numbered sections of the 2021 International Property Maintenance Code.

The following sections are hereby revised:

Section 101.1 Insert: City of Hart Zoning Administrator and Code Enforcement Department

Section 103.1 Insert: [The amount shall be established, from time to time, by resolution of City Council and shall cover the cost of inspection(s) and the supervision resulting from the enforcement of the code]

Section 302.4 Insert: Eight (8) inches

Section 304.14 Insert: April 1 to December 1

Section 602.3 Insert: October 1 to June 1

Section 304.14 Insert October 1 to June 1

Add Section 109.4 Violation penalties: Any person who shall violate any provision of this code upon conviction shall be penalized as provided in section 202.99 of the City of Hart Code of Ordinances – General code penalty; municipal civil infractions; equitable remedies; complicity.

Chapter 1428.05 Severability Clause. That if any section, subsection, sentence, clause, or phrase of this ordinance is, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance, and each section, subsection, clause, or phrase thereof irrespective of the fact that any one or more sections, subsection, clause, and phrases be declared unconstitutional.

Chapter 1428.06 Saving Clause. That nothing in this ordinance or in the Property Maintenance Code hereby adopted shall be construed to affect any suit or proceeding impending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or ordinance hereby repealed as cited in Chapter 1428 of this ordinance; nor shall any just or legal right or remedy of any character be lost, impaired or affected by this ordinance. That this ordinance and the rules, regulations, provisions, requirements, orders, and matters established and adopted hereby shall take effect and be in full force and effect ten (10) days from publication thereof.

**SECTION 2.** Effective Date. This Ordinance shall become effective ten (10) days after it’s publication or ten (10) days after publication of a summary of its provisions in a local newspaper of general circulation in the City of Hart

AYES: 6

NAYS: 0

ORDINANCE DECLARED ADOPTED

FIRST READING: December 13<sup>th</sup>, 2022

SECOND READING: January 10<sup>th</sup>, 2023

ORDINANCE BECOMES EFFECTIVE: January 30<sup>th</sup>, 2023

**DISCUSSION ITEMS:**

- Mayoral Board and Commission Appointments
  - C. Burillo Motioned to approve Travis Larson for Board of Review and supported by D. Hodges

· Ayes: 6 Nays: 0 Absent: 1

Remainder of appointments where tabled due to Mayor being out Sick

- Special Events Permit – Oceana County Right to Life Memorial Service
- Special Events Permit – Hart Winterfest
- Special Events Permit – Vintage Snowmobile Show and Swap Meet

**CITY MANAGER'S REPORT:**

**UPDATES:**

- 227 E. Main demolition is completed
- 511 and 513 Creeks drive are completed and will be listed very soon. Sue Payne has offered a private tour to anyone interested.
- Audio System downtown received many compliments from downtown businesses and area residents
- One member of Council will be taking the Newly Elected Official training offered by the Michigan Municipal League January 21<sup>st</sup> 8:30am-12:25pm registration is open until 1/16
- Rob was able to attend a Leadership Blueprint workshop that was funded by a State Grant. The workshop was a two-day event that covered lots of time-tested leadership concepts as well as some new innovative ideas



that we can employ in our operations at the City of Hart. One of the deliverables from the course was a Flippen Personality profile that used blind surveys of co-workers to help identify strengths and weaknesses. I plan to begin implementing some growth strategies professionally to help me role as a leader in our community

**Legacy Topics:**

- Working to have communities review intergovernmental operational agreement for property code enforcement department – Adoption of that agreement is pending – Financial negotiation is in progress
- Grant Funded 227 East Main property demolition completed. Site reconstruction to take place in the spring.
- The Charter review committee has finished its assessment for phase one City Charter amendments which include changing all pronouns to show gender equity and modifying the language which dictates the date and time of City Council meetings. The proposed changes are being reviewed by our City Attorney and we anticipate initiating that process soon

**Upcoming Topics:**

- Adoption of 2022-2026 Park and Rec Master Plan

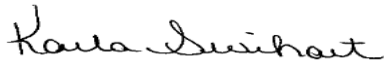
**COMMUNICATIONS FROM THE MAYOR AND COUNCIL:**

- A. Klotz thanked department heads for their reports they submit before the meetings for review.

**ADJOURN:**

- There being no further business to come before the Council, the meeting adjourned at upon a motion by J. Evans and supported by K. Trygstad. The next regularly scheduled meeting will be on January 24<sup>th</sup>, 2023, at 7:30 pm.

Respectfully Submitted



Karla Swihart, City Clerk